

Testimony of:
Senator Joe Donnelly
May 26, 2016
ITC Hearing Concerning
Antidumping and Countervailing Duty Investigations on

Corrosion-Resistant Steel Products from China, India, Italy, Korea, and Taiwan

Inv. Nos. 701-TA-534-538 and 731-TA-1274-1278

Thank you for allowing me to testify on behalf of the domestic steel industry at this important hearing. I believe this investigation provides a critical opportunity to ensure a fair marketplace for our domestic producers of steel. To achieve this goal, we must hold those who use illegal trade practices accountable, especially in three major trade cases before you this year concerning hot-rolled, cold-rolled, and corrosion resistant (CORE) steel products.

As we all know, the domestic industry is in the midst of the worst steel crisis in nearly two decades. Since global production has significantly out-paced global demand, domestic producers have lost significant ground—surrendering a record-high 29 percent market share to foreign-made steel in 2015.

The number of foreign-made steel products have significantly increased in recent years, including CORE, hot-rolled steel, and cold-rolled steel. CORE production, like hot-rolled and cold-rolled steel, is central to the success of domestic steel companies and the 24,000 Hoosiers directly employed by the industry.

Indiana accounts for one quarter of all domestic steel capacity and produces a variety of steel products, including CORE, hot-rolled steel, and cold-rolled steel. We have plants in large cities like Gary, Indiana where generations of steelworker families have produced steel for more than a century. We also have plants in towns like Butler and Crawfordsville, Indiana where small businesses throughout the community rely heavily on the success of their local plant.

In my travels throughout the state, I have had many conversations with Hoosier workers, local business owners, and steel industry executives. They are worried. The loss of more than 1,000 steel jobs in Indiana last year has been on the minds of many. When families face the uncertainty of a plant idling, they must prepare for the worst. Small businesses who reside in communities that rely on the steel industry's success suffer because families can no longer purchase goods and services. All the while, leaders in the steel industry must remove their focus from innovation, growth, and prosperity and instead direct resources toward preventing others from refusing to compete by the agreed-upon rules.

Strong trade policies strengthen communities, ensure good employment for workers, and help maintain a level playing field to foster the kind of fair competition that leads to robust markets. It should be a shared goal of all nations to participate in such a marketplace; but it will only work if everyone plays by the same rules.

I urge the Commission to use all enforcement tools at your disposal, including those recently strengthened by Congress, to combat illegal trade practices. Starting today, the Commission can reassure families in steel towns throughout the country that the worst of the steel crisis is behind us because strong trade policies will be enforced and because of the resilience of the domestic steel industry and its workers. I encourage the Commission to keep these families in mind and afford our domestic workers the opportunity to compete in a transparent and fair marketplace by ensuring effective relief is provided to domestic producers of CORE, hot-rolled, and cold-rolled steel products.

Thank you, again, for the opportunity to address the Commission today.